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January 12, 2004



BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

209839

**RE: *Central Michigan Railway Company – Abandonment Exemption –
In Saginaw County, MI, Docket AB-308 (Sub-No. 3X)***

Dear Secretary Williams:

On January 6, 2004 Plastatech Engineering, Ltd. ("Plastatech") submitted a reply to the December 18, 2003 "Reply of Central Michigan Railway Company to the Petition for Clarification of a Condition Contained in a Decision Served October 31, 2003." Knowing that its filing was a reply to a reply, in violation of 49 C.F.R. § 1104.13(c), Plastatech also sought leave to file its prohibited reply. Central Michigan Railway Company ("CMR") does not object to acceptance of Plastatech's reply to a reply. CMR, however, does request leave under 49 C.F.R. § 1117.1 to file this limited response if Plastatech's improper reply is accepted.

Plastatech's labeling of CMR's December 18, 2003 statements with respect to offering a 3-year contract during the negotiations before the October 16, 2003 Report was filed as a "false claim" is patently objectionable and ought to be stricken pursuant to 49 C.F.R. § 1104.8. It is not a "false claim."

The negotiations between CMR and Plastatech were not conducted through the lawyers, but between the businessmen of CMR and Plastatech. Thus, it speaks volumes that Mr. McFarland's statements are unverified. They should be accorded little weight, as Mr. McFarland has no first hand knowledge of the negotiations.

On the other hand, it is the recollection of William Salter, CMR's Vice President who conducted the discussions with Plastatech, that he told Plastatech during those pre-October 16 negotiations that the timeframe for the \$200 per railcar allowance rebate must be limited and

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could not run forever. Unfortunately, CMR could not find that it had stated that position in writing prior to October 16. However, Plastatech (though perhaps not Mr. McFarland) knows full well that CMR has always insisted that the CMR offer be limited in duration and that this was specifically put in writing when CMR sent its proposed settlement, in draft contract form, to Plastatech, although that draft contract was submitted to Plastatech after October 16.

In the end, regardless of when CMR put in writing its proposal to limit the rebate offer to a certain time period, the merits of CMR's position remain unchanged: no railroad/shipper contract, offer, settlement, or tariff lasts forever, and neither should CMR's obligation to provide Plastatech with a \$200 rebate allowance. CMR's offer to continue a transload operation and to pay Plastatech for its investment in its railroad facilities -- facilities which Plastatech now no longer says are useless but wants to be paid for them as if they were -- was extremely generous. CMR did not object to the imposition of its offer by the Board, but the implementation of that offer must have some limits, and the proposed limits are entirely consistent with previous Board orders in rate cases and other contexts.

Please time and date stamp the eleventh copy of this letter and the enclosed facsimile version of Mr. Salter's verification and return it to our courier. The original signed version of Mr. Salter's verification will be filed as soon as it is received in Washington, DC. Copies of this filing are being served by first-class mail, or by more expeditious service, upon all parties of record.

Please do not hesitate to contact me directly if you have any questions regarding this letter or the enclosed materials.

Sincerely,




William A. Mullins

Enclosure

cc: Central Michigan Railway Company
All Parties of Record

VERIFICATION

I, William A. Salter, Vice President of Central Michigan Railway Company, hereby
verify under penalty of perjury that I have read the foregoing letter and that its contents are true
to the best of my knowledge, information and belief.


William A. Salter

Executed at BAY CITY, MI this 9th day of January, 2004.